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CENTRAL INTELLIGENCE AGENCY
Office of Current Intelligence
27 January 1965

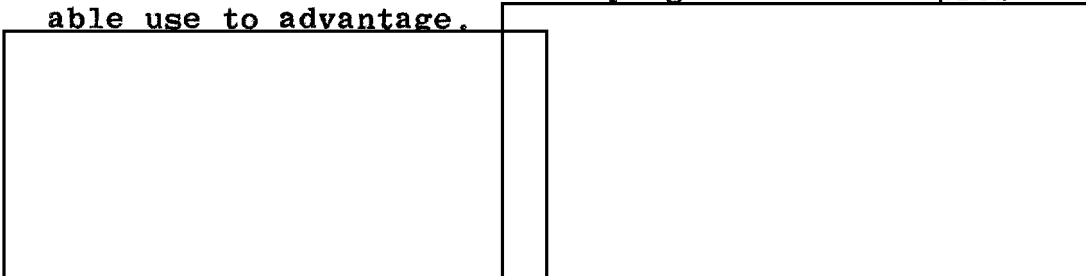
INTELLIGENCE MEMORANDUM

Developments in Countries on the
Counterinsurgency List (ADDENDUM)

Honduras

1. The arrest of the chief of the National Investigative Corps (CIN) for insubordination over budgetary matters has added to the political tension in Honduras. The arrest came at a time when he was indicting high-ranking Communists and publicly exposing Cuban support for Honduran guerrillas.

2. It is this sort of atmosphere which subversive elements have been hoping for and can probable use to advantage.



3. Other subversive or terrorist groups could also take action during this period. Cuban-supported guerrilla groups which have been quiescent for several months may again become active in the rugged north coast area.

4. The return of ex-President Villeda Morales from exile on 24 January provides the Liberal Party with a rallying point, improving its prospect for becoming a more effective opposition party. However, if the minority Nationalist Party and the incumbent military regime frustrate the Liberal Party's political activity in connection with the election, some extremist Liberals might turn to subversive activity.

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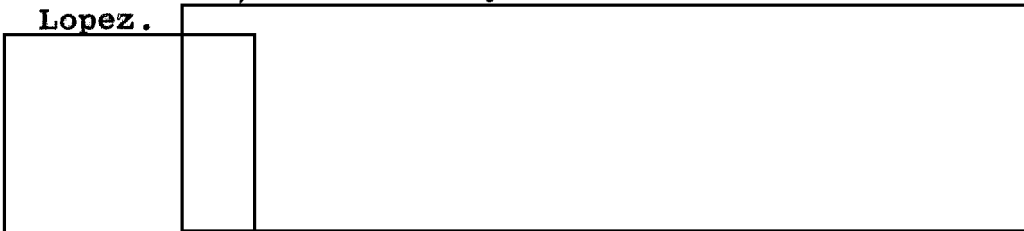
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5. Meanwhile, the CIN's effectiveness is being hampered during this important period by low morale stemming from a severely curtailed budget and the loss of its chief. The two important MAP-trained units in Tegucigalpa, the First and Second Battalions, continue loyal to Chief of Government Lopez.

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